Dairy Production

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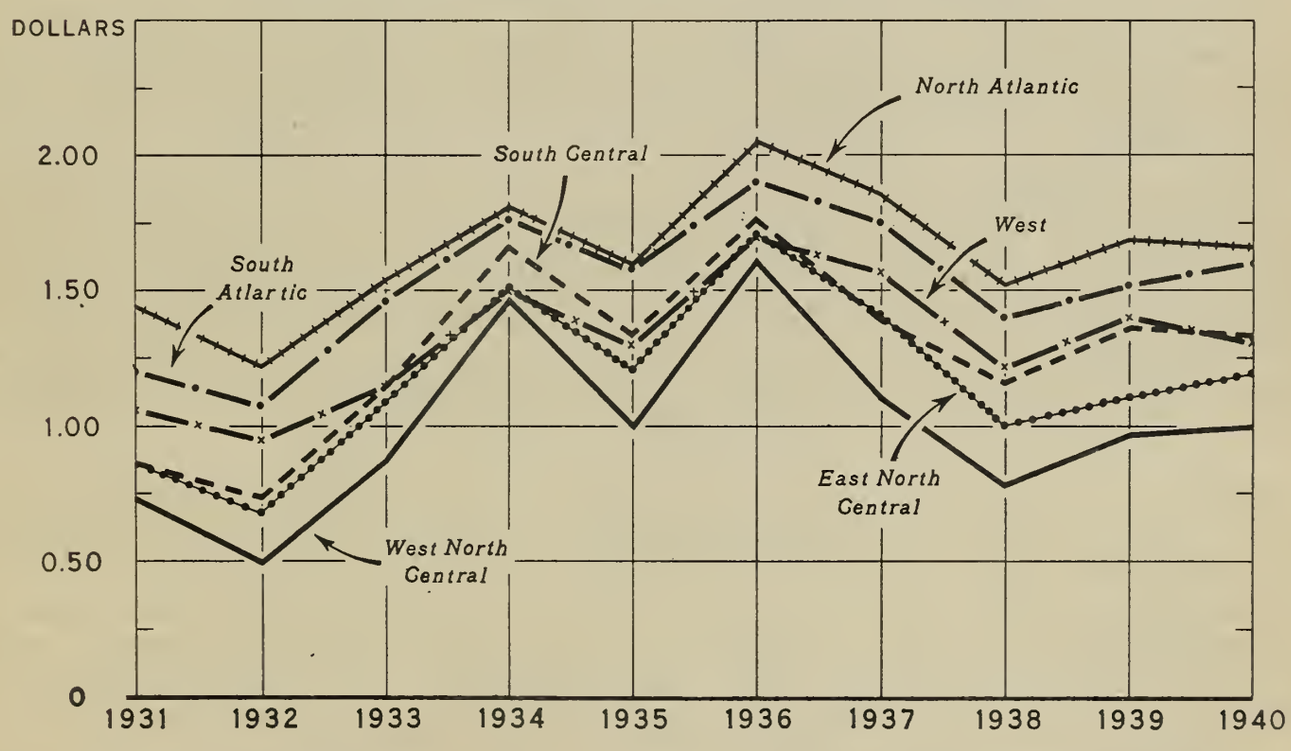
VALUE PER 100 POUNDS OF GRAIN AND CONCENTRATES FED TO MILK COWS, BY MAJOR GROUPS OF STATES, OCT. 1, 1931-37 AND NOV. 1, 1938-40

(AS REPORTED FOR HERDS KEPT BY DAIRY CORRESPONDENTS)



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Changes in feed prices are not uniform in all parts of the country. In the fall of 1936, following the drought, the value of grain fed to milk cows in the West North Central States averaged $1.61 per 100 pounds, more than three times the 50 cents reported in the fall of 1932, while in the North Atlantic States the 1936 value of $2.05 represented an increase of less than 70 percent over the $1.22 reported in 1932. As the price of butterfat in each area does not depend on local production costs, regional changes in feed prices and associated changes in feed supplies necessitate constant changes in feeding practices.

DAIRY PRODUCTION SUMMARY

Milk production has been heavy with daily per capita production in November more than 5 percent above the 1934-38 November average. Largely due to the abrupt change to winter weather, more than the usual decline was reported during November, but at the end of the month production per capita was still higher than at the same season in other years since 1933. Furthermore, production is expected to continue high through the current feeding period. There may even be more than the usual seasonal increase during the next several months if demand conditions continue to improve and no serious shortage of farm labor develops.

The cows are well fed. The quantity of grain and concentrates being fed per cow is probably the highest for this season in ten years. On December 1 the rate of feeding was about 6 percent heavier than on the same date in either of the last two years. The heavy feeding is general and appears to reflect an abundant and well-distributed supply of feed and encouragement as a result of rising prices of dairy products.

Production of the principal manufactured dairy products in November appears to have been 4 percent above the previous high for the month. It was probably 11 percent above the 1934-38 average, or relatively higher than in previous months since April. As in recent months, creamery butter production was only a little below previous top production records for the season and cheese production was higher than in previous years. Evaporated milk production in October was considerably below the outstanding record of October 1936 but in November it was probably close to or above the previous high records for the month.

Stocks of the principal dairy products are moderate and declining rapidly even though production is heavy. Cold storage stocks of butter and cheese both declined more than average for November. Stocks of evaporated milk held by manufacturers appear to have declined sharply but there was probably some increase in holdings by others. On December 1, cold storage holdings of butter were about the same as on the date in 1937 but lower than on December 1 in other years since 1932. Cheese stocks continue at a record high level but do not appear burdensome.

Prices of butter and cheese have risen in recent weeks to levels which, if maintained, would probably further stimulate milk production. In mid-December the price of creamery butter was only a little below the peak of late 1937 and about equal to or above other monthly averages since 1930. Milk prices have made about the usual seasonal increases but in mid-November they were slightly lower in most parts of the country than at the same season last year; they also averaged lower than at the same season in 1936 and 1937 but higher than in other years since 1930.

Feed supplies are large. Crop yields have been good. Cottonseed meal is being imported instead of exported. Much of the linseed meal made from imported seed, instead of being exported as usual, is being pushed into domestic consumption at low prices. The average price of commercial feeds, like the price of milk, is nearly the same or slightly lower than a year ago. The average price of feed grains is higher than a year ago, the increase being about proportional to the increase in the price of butterfat. Hay is abundant and cheap. On November 15 the price of hay averaged slightly lower in comparison with dairy products than on the same date in any of the past 10 years. Judging from reports on feed production and prices, the production of dairy products is nowhere limited by a shortage of feed.

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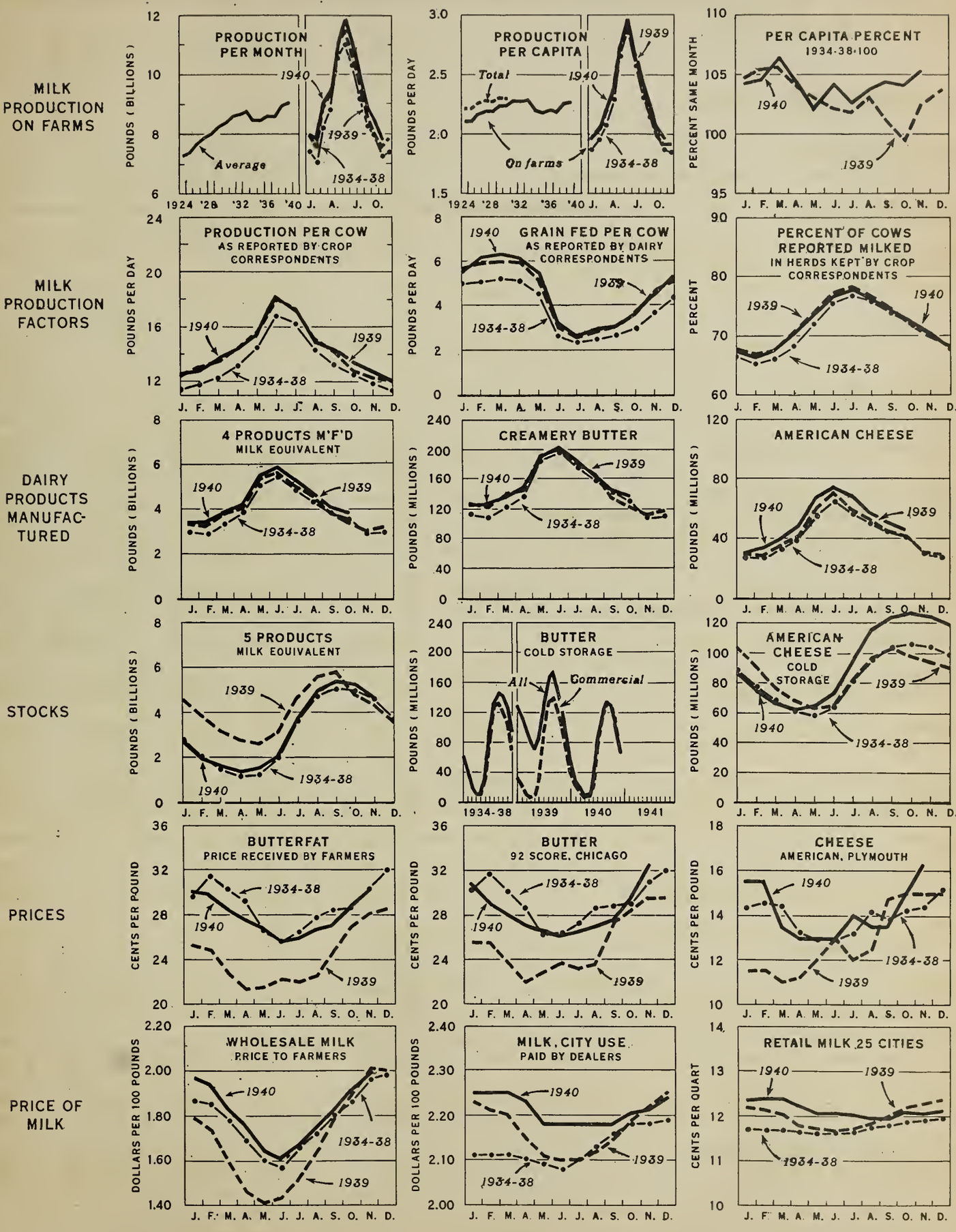
DAIRY PRODUCTION: GRAPHIC SUMMARY FOR THE UNITED STATES



UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

Dairy Production — December 16, 1940

SUMMARY OF DAIRY STATISTICS FOR THE UNITED STATES

			Average 1934-38	1939	[illegible] 1940 Total or avg.	[illegible] 1940 Percent of 1939
MILK PRODUCTION ON FARMS						
Total, per month	mil.lb.	Sept.	8,262	8,533	8,865 a/	103.9
		Oct.	7,942	8,077	8,510 a/	105.4
		Nov.	7,227	7,556	7,830 a/	103.6
Per capita, daily average	lb.	Oct.	1.990	1.981	2.073 a/	104.6
		Nov.	1.870	1.914	1.969 a/	102.9
Per cow, per day (As reported by crop correspondents)	lb.	Oct.1	12.54	12.82	13.40	104.5
		Nov.1	11.80	12.30	12.74	103.6
		Dec.1	11.29	12.09	12.17	100.7
GRAIN FED PER COW (As reported by dairy correspondents)	lb.	Nov.1	3.65	4.61	4.51	97.8
		Dec.1	4.31	5.03	5.23 c/	104.0
PRODUCTION OF MANUFACTURED DAIRY PRODUCTS						
Creamery butter, monthly	mil.lb.	Oct.	129.0	121.9	135.4 b/	111.1
		Nov.	108.1	111.1	116.0 ad/	104.4
weekly	week ending	Nov.28	--	--	--	106.6
		Dec.5	--	--	--	102.6
American cheese	mil.lb.	Oct.	40.7	40.4b/	46.0 b/	113.9
		Nov.	29.4	31.4b/	35.1 ad/	111.8
Evaporated milk, case	mil.lb.	Sept.	151.1	158.3	196.3	124.0
		Oct.	135.0	144.6	172.0	118.9
4 products, milk equivalent (Creamery butter x 21, all cheese except skim x 10, canned cond. & evap. milk x 2.2)	mil.lb.	Sept.	3,833	3,721	4,123	110.8
		Oct.	3,549	3,420	3,843	112.4
		Nov.	2,912	3,047	--	106.0c/
STOCKS ON HAND						
Butter in cold storage (Including government holdings)	mil.lb.	Nov.1	126.1	128.1	105.1	82.0
		Dec.1	93.7	89.8	67.7 a/	75.4
Commercial holdings, only		Dec.1	72.2	71.7	67.6 a/	94.3
American cheese (Cold storage holdings)	mil.lb.	Nov.1	103.8	94.0	124.0	131.9
		Dec.1	98.4	90.2	118.5 a/	131.4
Evaporated milk, case (Manufacturers' stocks)	mil.lb.	Oct.1	261.0	135.1	380.5	281.6
		Nov.1	257.1	175.6	358.2	204.0
5 products, milk equivalent (Butter, all cheese, canned cond. & evap. milk plus cream in cold storage)	mil.lb.	Oct.1	5,006	4,841	5,236	108.2
		Nov.1	4,591	4,355	4,623	106.2
		Dec.1	3,709	3,533	3,460 cd/	97.9
PRICES						
Butterfat, per pound (Prices received by farmers)	ct.	Oct.15	28.6	26.9	28.8	107.1
		Nov.15	30.3	28.1	30.9	110.0
Butter, wholesale, per pound (92 score, Chicago)	ct.	Nov.	31.3	29.5	32.4	109.8
		Dec.	32.1	29.5	35.5 e/	120.3
American cheese, wholesale, per pound (Twins, Plymouth, Wisconsin)	ct.	Nov.15	14.40	15.00	16.25	108.3
		Dec.15	15.20	15.00	17.00 d/	113.3
Milk, wholesale, per 100 pounds (All purposes, prices received by farmers)	dol.	Oct.15	1.86	1.95	1.91	97.9
		Nov.15	1.96	2.02b/	1.99 a/	98.5
Milk for city distribution, per 100 pounds (Prices paid by dealers, 3.5% basis)	dol.	Nov.	2.18	2.22	2.21	99.5
		Dec.	2.19	2.25	2.24	99.6
Milk, retail, delivered, per quart (Average, 25 markets)	ct.	Nov.	11.91	12.28	12.05 a/	98.1
		Dec.	11.96	12.38	12.21 a/	98.6

a/ Preliminary. b/ Preliminary revision. c/ Forecast or interpolation.
d/ Not available when accompanying chart was prepared. e/ Price December 13.

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Milk production on farms during November, although somewhat reduced by mid-month storms in large central areas, appears to have continued at relatively high levels, and for the month totaled 7.8 billion pounds compared with 7.6 billion pounds in November last year. The decrease during the month was considerably sharper than usual and production at the end of November was only about 2 percent above that a year earlier compared with 5 percent at the beginning of the month. With adequate supplies of grain and hay available for milk cows and with dairy products showing more than the usual fall price increases, the relatively heavy production that has been in evidence for several months appears likely to continue during the remainder of the feeding period as production moves upward in its seasonal cycle.

Daily average milk production per capita in November, estimated at 1.97 pounds, was about 3 percent higher than in that month a year ago, but was somewhat short of November production per capita in 1931 and 1933, years of relatively heavy winter production.

MONTHLY MILK PRODUCTION ON FARMS, UNITED STATES
1934-38 Average, 1939, and 1940

Month	MONTHLY TOTAL			DAILY AVERAGE PER CAPITA		
	Average 1934-38	1939	1940	Average 1934-38	1939	1940
	Million pounds			Pounds		
January	7,422	7,935	7,961	1.870	1.957	1.949
February	7,044	7,534	7,791	1.950	2.056	2.038
March	8,221	8,869	9,006	2.069	2.185	2.202
April	8,809	9,347	9,447	2.290	2.379	2.386
May	10,537	11,084	11,067	2.649	2.728	2.704
June	10,996	11,464	11,805	2.855	2.914	2.979
July	10,266	10,671	10,834	2.573	2.623	2.644
August	9,194	9,672	9,812	2.307	2.376	2.393
September	8,262	8,533	8,865	2.141	2.165	2.233
October	7,942	8,077	8,510	1.990	1.981	2.073
November	7,227	7,556	7,830	1.870	1.914	1.969
December	7,383	7,816		1.847	1.915	

Through the first 11 months of 1940 milk production on farms totaled 102.9 billion pounds, about 2 percent higher than for the same period last year. Unless production during the current month is reduced more sharply than anticipated, total production of milk for the year will be only slightly short of 111 billion pounds. This would be an all time high annual production of milk and as large a quantity per capita as in any of the 16 years for which estimates are available.

Milk produced per cow on December 1 was still at record high levels for that date despite an unusually sharp decline during November. For the country as a whole, herds kept by crop correspondents averaged 12.17 pounds per cow, compared with 12.09 pounds on December 1 last year and a 1929-38 average of 11.47 pounds for the date.

Production per cow was well above averaged in all major groups of States except the South Central States where mid-November freezes nipped late grazing crops and where cold, rainy weather reacted unfavorably on milk cows still on pasture or not well sheltered. In the North Central States, where barn feeding is usual at this time of the year, the cold weather and snow of November reduced milk flow only temporarily and production per cow on December 1 was a record high for the date and showed only about the usual decline during November.

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In the Atlantic Coast States, where November temperatures averaged above normal, production per cow was maintained at close to record levels with somewhat less than the usual November decline. In the Western States the effects of cold weather were apparent, especially in the central Rocky Mountain area, and on December 1 production per cow was reported to be lower than at that time last year but was the second highest for the date.

In herds kept by crop correspondents in the United States, 68.1 percent of the milk cows were reported milked on December 1. This was less than on the same date in any of the past 3 years but was about 1 percent above the 1929-38 average for December 1.

Grain and concentrates have been liberally supplied to milk cows in the early part of the 1940-41 feeding season, according to reports received from various groups of farmers and dairymen. On November 1, when good pasturage was still available in some areas, reports from dairy correspondents (a group which appears fairly representative of commercial dairymen) showed somewhat less grain fed per milk cow than a year earlier but otherwise the most for the date in a decade. On December 1 reports secured from the same group in a limited number of the more important dairy States indicate that the seasonal increase in feeding during November followed about the usual pattern. Reports from crop correspondents, a much larger group representing more generalized farming, likewise show liberal feeding as the reported quantity of grain and concentrates fed per cow was the highest for December 1 in the 8 years for which records are available.

Nearly all sections of the country were feeding heavily on December 1, crop correspondents' reports show. In New England, New York, Wisconsin, in most of the western two-thirds of the corn belt, and in most of the great Plains States the quantity fed per cow on December 1 exceeded that reported for the date in any of the past 7 years. In these areas the quantity fed ranged from less than 15 percent above the 1934-38 average in New England and New York to more than 50 percent above average in some of the Plains States. In the Plains States feed shortages accompanying severe droughts materially reduced the quantity fed in some of the recent years included in the average. In other areas the rate of feeding was mostly above the 5-year average and in many States close to record levels for December 1 in the period for which data are available.

For the country as a whole, the quantity of grain and concentrates fed per cow in herds kept by crop correspondents averaged 4.44 pounds on December 1, compared with 4.19 pounds for the same date last year and an average of 3.69 pounds for the date in the 1934-38 period. Similar averages for herds kept by dairy correspondents, which for December 1 are partially interpolated, showed 5.23 pounds of grain fed per cow on December 1 this year, compared with 5.03 pounds on that date a year ago and a 5-year average of 4.31 pounds for December 1.

The explanation of the high rate of feeding is not at once apparent. On December 1 the prices of dairy products were not unusually high in comparison with prices of grain and feedstuffs. The weather was cold in some areas and in parts of the South pastures were hurt by early freezes, but these were probably not major factors. The supply of feed grain and feedstuffs is large, probably larger in proportion to the number of livestock on the farms than in any of the last 15 years. Many farmers are finding that milk cows are paying better for their feed than either hens or hogs.

"GRAIN" FED AND MILK PRODUCED PER MILK COW IN HERDS KEPT BY REPORTERS 1/

	"Grain" Fed per Milk Cow 2/			Milk Produced per Milk Cow 3/			
	Dec. 1 Av. 1934-38	Dec. 1 1939	Dec. 1 1940	Dec. 1 Av. 1929-38	Dec. 1 1938	Dec. 1 1939	Dec. 1 1940
	Pounds			Pounds			
Me.	4.3	4.2	4.6	12.2	11.6	11.8	12.9
N.H.	4.2	4.0	4.5	14.5	12.5	13.4	14.0
Vt.	4.1	4.2	4.3	12.6	12.0	12.1	12.6
Mass.	6.1	5.8	6.5	16.8	16.1	17.6	17.5
Conn.	5.4	6.2	5.7	15.8	15.8	17.0	16.8
N.Y.	4.8	5.0	5.4	14.6	15.3	15.3	15.0
N.J.	6.9	7.3	7.1	17.8	18.2	18.7	18.1
Pa.	5.8	6.1	5.9	14.9	15.1	14.9	15.4
N.ATL.	5.1	5.2	5.4	14.78	15.17	15.17	15.33
Ohio	5.2	5.8	5.7	13.1	13.3	13.7	13.2
Ind.	4.8	5.3	5.5	12.0	12.2	13.0	12.8
Ill.	4.7	5.5	5.9	12.5	12.6	13.3	13.7
Mich.	4.4	5.3	5.1	14.5	14.9	16.0	15.4
Wis.	3.4	3.9	4.4	12.9	12.7	13.5	13.8
E.N.CENT.	4.3	4.9	5.2	12.97	13.00	13.74	13.83
Minn.	3.3	4.2	4.7	12.8	13.1	13.6	14.4
Iowa	4.6	5.6	5.8	11.8	12.8	13.0	13.0
Mo.	3.1	3.7	3.9	8.5	8.6	8.3	8.8
N.Dak.	2.3	3.1	3.5	8.8	8.8	9.4	10.7
S.Dak.	2.1	2.4	3.4	8.9	9.9	9.7	9.8
Nebr.	2.9	3.7	3.8	11.0	11.9	11.8	11.8
Kans.	2.9	4.0	4.1	11.9	12.3	12.1	12.2
W.N.CENT.	3.3	4.1	4.5	10.81	11.33	11.44	11.79
Md.	5.6	5.9	6.0	13.4	14.6	14.6	15.2
Va.	3.8	3.9	4.5	9.9	10.3	10.0	11.1
W.Va.	3.2	3.7	3.6	9.5	9.9	9.6	10.1
N.C.	4.0	4.6	4.8	10.2	10.7	11.0	11.2
S.C.	3.2	3.5	3.1	9.4	9.3	10.6	9.5
Ga.	2.9	3.1	3.6	8.2	8.8	9.0	9.0
S.ATL.	3.7	4.2	4.2	9.87	10.61	10.52	10.98
Ky.	4.8	5.4	5.4	9.7	10.2	9.9	10.0
Tenn.	3.7	4.2	4.2	8.4	8.5	8.9	8.8
Miss.	2.1	2.0	1.6	6.5	6.3	5.7	5.6
Ark.	2.7	3.0	3.1	7.1	7.3	7.6	7.1
Okla.	2.5	3.3	3.6	9.0	9.8	8.9	8.4
Tex.	2.9	2.9	3.6	8.0	8.2	8.3	7.2
S.CENT.	3.1	3.3	3.5	8.13	8.25	8.12	7.83
Mont.	2.1	2.4	2.8	11.0	13.3	13.7	13.5
Idaho	2.0	2.6	2.3	15.1	15.4	16.5	15.7
Wyo.	1.7	1.7	1.8	10.5	10.8	11.4	11.0
Colo.	2.3	3.4	3.7	11.5	13.1	14.5	13.3
Wash.	3.9	3.8	3.9	14.7	15.1	15.3	15.9
Oreg.	3.4	3.4	3.1	13.6	13.8	14.2	13.5
Calif.	2.9	2.6	2.8	16.1	16.3	18.4	17.1
WEST.	2.7	2.9	3.1	13.33	14.10	15.08	14.69
U.S.	3.69	4.19	4.44	11.47	11.83	12.09	12.17

1/ Figures for New England States are based on combined returns from Crop and Special Dairy reporters (milk per cow weighted by counties). Figures for other States, regions, and U. S. are based on returns from Crop reporters only. The regional averages are based in part on records of less important dairy States not shown separately, as follows: North Atlantic, Rhode Island; South Atlantic, Delaware and Florida; South Central, Alabama and Louisiana; Western, New Mexico, Arizona, Utah, and Nevada.

2/ Averages per cow computed from answers to question, "How many pounds of grain (including mill feeds and concentrates) were fed yesterday to milk cows on your farm (or ranch)?"

3/ Averages represent the reported daily milk production of herds kept by reporters divided by the total number of milk cows (in milk or dry) in these herds.

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VALUE PER 100 POUNDS OF THE GRAIN AND CONCENTRATE RATION FED TO MILK COWS

The average value of the grain and concentrate ration fed to milk cows on November 1 was about $1.28 per 100 pounds, reports from dairy correspondents indicate. Although the reported values averaged about the same as a year ago, they showed some rather interesting regional shifts. In Ohio, Indiana, Illinois, Iowa, and Kentucky, where corn usually makes up more than half of the grain ration fed to milk cows, values reported this year averaged 9 cents to 20 cents higher than those reported in November last year. Higher values were also reported from most of the Southeast where corn and cottonseed products are the principal feeds. But lower values per 100 pounds were reported from California and from various other States where corn is usually less than one-fifth of the ration. Some of these changes reflect increases or decreases in local production and may be expected to continue through the feeding period; others may be temporary for during the last two months market prices of oats have risen much more rapidly than usual in relation to corn.

The regional averages of the reported values of rations being fed each fall are shown by the graph on the front cover. At times during the last ten years these values have differed widely, reflecting varying local differences in prices of individual feeds, differences in the extent to which home-grown supplies could be used, and great diversity in the composition of the rations fed. When grains were cheapest prices in areas of heavy grain production were abnormally low relative to transportation costs, to prices of shipped-in feeds and to costs of grinding. With farmers in these areas buying less high protein supplements than usual and with much grain being fed without grinding, the value of the grain fed to milk cows in these areas was little above the local price of corn and oats and far below the value of the better balanced rations fed in areas dependent on shipped-in feeds. On the other hand, in the drought seasons when there was an acute shortage of feed in some normally surplus grain-producing areas the usual regional price differences were disturbed and some grains were relatively cheap near importing points. For these reasons the spreads between feed values in the various regions appear to have been actually smaller in several years of high prices than in years when prices were low. These variations have been particularly important to dairymen selling to creameries for, unlike market milk, butter is easily shipped long distances, and as shown last month, the prices paid for butterfat in the various States commonly change about equally in response to national demand and supply conditions and appear to be little affected by local production costs.

The reported values do not represent estimates of the value of grain fed to all milk cows. Few reports can be obtained from farmers who keep only 1 or 2 cows and it is difficult to determine the true average value of the feed in an area where many farmers keep only a few cows and feed corn or oats out of the bin, while dairymen with larger herds feed well-balanced rations made up largely of higher priced purchased concentrates. The regional and national averages, obtained by computing averages for various States and combining them in proportion to usual quantities fed, may also fail to reflect fully the changes in average value that are the result of regional changes in rates of feeding. Notwithstanding these difficulties, the averages of the reported prices appear accurate enough to show the principal year-to-year changes by regions and in important States. They differ from fixed-weight indices of feed and grain prices chiefly in that they show the average value of constantly changing rations. Except when farmers are shifting from old grain to new, regional shifts between grains do not greatly affect the average value indicated for the country as a whole, but they materially affect comparisons between States because farmers shift the rations locally to utilize feeds that are cheap. Thus, the fall reports from Nebraska showed 75 percent of corn in the ration in 1933 and only 20 percent October 1, 1935, just before the new crop of that year was husked. Idaho reports showed 20 percent of wheat in 1931 and 2 percent in 1932. This year the November 1 reports showed a record percentage of oats and barley and less than the usual proportion of corn.